

**ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING**

Wednesday, November 17, 2010

1 CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:32 p.m. at the Chuck Corica Golf Complex, Ladies Lounge, 1 Clubhouse Memorial Road, Alameda, CA 94502

1-A ROLL CALL

Present: Chair Jane Sullwold, Commissioner Ray Gaul, Commissioner Bill Schmitz, Commissioner Betsy Gammell, and Commissioner Jeff Wood

Absent: None

Staff: John Vest, General Manager

Also Present: None

1-B APPROVAL OF MINUTES

The Minutes of 10-20-10 were approved unanimously

1-C ADOPTION OF AGENDA

The Commission unanimously adopted the agenda.

2 ORAL COMMUNICATIONS

None

3 COMMISSION COMMUNICATIONS

Chair Sullwold stated: "The City put on its agenda for a meeting approval of an expenditure for a consultant to do a general park master plan, and they had snuck in, without telling the Golf Commission anything about it, an addition to the work order for this company, to survey all the trees on the Golf Complex, and to make a report about what trees should be planted best suited to reclaimed water. And then there was something about the sloughs, but it was really poorly worded and nobody could really understand what it was. They imposed an expenditure of \$7,800 for this item for which they were going to charge the Golf Enterprise Fund. Well, I was pretty outraged about it and I went down and made a fuss, and one of my few accomplishments as a Golf Commissioner is that I got them to agree to not take it out of the Golf Enterprise Fund. Instead they are going to take it out of Dale's Rec

and Park Fund [budget], which I thought was only appropriate. One of the arguments I made to City Council was that we've been getting regular reports from Matt about the trees here at the Golf Complex, and what other trees might be better and what research we've been doing as to which trees should be replaced, and so I reported that to Council, I said that I'm not sure this is even really necessary. Do you know, John, if we have a master map of trees on the Golf Complex?"

John Vest stated: "We found one book that was updated in 1996, that Matt came across, that's the only book that I've seen. I looked through a ton of maps in there. It was obviously a while ago, but it doesn't seem that detailed. We're still digging around for more of that stuff." Chair Sullwold asked, "Is Matt creating some of this stuff on his own?" Norma Arnerich stated: "I can't remember the year, but they had a company come out, and actually put a mark on each tree, and each tree had a number." Chair Sullwold stated: "But it does seem to me that, I don't know, the words that kept coming up from Ann Marie, 'well, we're going to have to do this eventually.' And I kept thinking, well, I'm not really sure we're going to have to do this eventually, and I certainly don't think we should start from scratch. They finally decided this company is going to do it, it's just not going to come out of the Golf Enterprise Fund. And they took down my name and number to talk to me about it, and obviously whatever book we have we should be able to give them so that they don't have to reinvent the wheel on this."

Norma Arnerich: "I would say that the superintendent knows a lot about what trees should be planted out here, and I certainly feel that whatever study is done, he should be consulted. I've talked to him many times, and he seems to know pretty well what would work out here and what won't." Chair Sullwold: "Which is exactly how the mission was described for this consultant that they wanted to pay the \$8,000 for, so I didn't quite understand it." John Vest: "It was a study of what trees would work out here." Chair Sullwold: "Survey all the trees and do some sort of map and do a study as to what trees ought to be planted to replace those that are here that are more tolerant of recycled water, and then this extremely badly phrased item about the sloughs, that didn't make any logical sense to me. The guy was very nice, I met him after the meeting, but nevertheless, I managed to convince them not to charge us for that."

4 ORAL REPORTS

4-A Golf Complex Maintenance activities report by John Vest

John Vest said that the recent storm last month caused many tree branches to fall, so Kemper is having a tree crew come out on the 29th to remove three dead pine trees, and to clean up the loose branches. Jason, the new maintenance mechanic has serviced all the equipment and has found ways to rebuild old equipment with parts sitting around. A couple of memorial trees have been replanted. Matt is going to aerify all 36 holes with a small tine; he is not going to do a big aerification until possibly springtime.

4-B Golf Shop and Driving Range activities report by John Vest

John Vest stated: "We are doing a lot of different stuff right now, trying to keep up with a lot of the other courses, and our biggest hit right now is our \$20.00 rate after 3:00 p.m., which in October generated over 300 rounds." Both he and Mike Winkenbach receive email blasts from the other courses, and in comparison, Alameda has better rates. Mike has reached out to league play and generated \$10,000 more than last year in tournament revenue. We did \$31,000 in tournament revenue last month compared to \$21,000 the same period last year. A tournament brochure has been created and mailed out to a lot of the local associate clubs from the NCGA Bluebook. A promotion was run on our senior age which was dropped from 62 to 60. Senior monthly pass sales alone generated over \$14,000, which was up about 14% from prior months. Tilden Park, Metro, and Monarch all give senior rates to those 55 and up, but for most courses in the area, seniors start at 58 to 60. The golf carts are still going down on really busy days, mostly on the weekends, when the carts have to go 36 holes. John is talking to Dale and the City regarding swapping them out or waiting to buy new batteries.

The promotions for November are \$100 for a foursome, Wacky Wednesdays for seniors, and a \$30 Thursday special. They are running more specials on the Clark course after 11:00 a.m. to fill up dead times. The late twilight is still going well. On Thanksgiving, there will be a 8:00 a.m. shotgun on the South and a 9:00 a.m. shotgun on the North.

4-C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich

Norma Arnerich advised that, while she is planning more tree-planting ceremonies, she will not schedule any of them until after the holidays. She reported that the Alameda High School Girls Golf Team went down to Rancho Cucamonga for the state tournament and came in fourth. Grace Na shot an even par round of 74, which gave her the number one ranking in the state.

4-D Golf Complex Restaurant Report, Jim's on the Course

None

5 AGENDA ITEMS

5-A Status Report on Long Term Lease and Mif Albright Negotiations including Golf Commission recommendations

Chair Sullwold stated: "The referral that Doug deHaan put on the calendar on October 19, which then got . . . we were allowed to speak, but then it got taken off calendar because two of the Council members were sick. That matter is now going to be on at a special meeting on Wednesday, December 1." Commissioner Gammell asked, "Is it just a meeting on that?" Chair Sullwold: "It's a special meeting, but not just for that, it's a special meeting of the City Council, but it will be

on that particular agenda.” Commissioner Gammell: “Well, if we can get the kids there, we can go first again.” Norma Arnerich: “When Coach B called me last night about the results, he asked how it went and I told him it was cancelled, he said, “Oh good, we can be there for the next one.” Chair Sullwold: “The challenge now, is it will still be the current Council on December 1 voting on this, and our challenge is to lobby the various Councilmembers to get two, three votes. We have Doug, obviously, as a vote; we believe we have Lena Tam unless she backs off, but she has made certain commitments to it; and so it’s a question of who we can get for a third vote. Frank Matarrese has been supportive, but has not ever committed to it, so we’re trying to see if we can convince Frank that this should be his final legacy to the City of Alameda as he’s moving off the City Council. I think Marie Gilmore had a call last week from Leon McNair of Wadsworth, who, according to Doug, opened her eyes about various things that she didn’t really understand. I think I’m going to try to see if I can find a time to meet with her and talk to her about various items.

Doug believes that Marie, and possibly Frank, sort of listened to us as a Golf Commission when we went to them several years ago talking about the need for a banquet facility, and have had that stuck in their heads that the Golf Complex needs a banquet facility, even though we certainly have put that as a much, much lower priority. But that, he believes, is one of, if not the primary, reason that Marie Gilmore is supportive of this Ron Cowan land swap plan: she believes that, if Ron Cowan were to get the Mif Albright property and build a new Harbor Bay Club, it would include a banquet facility that could be used by the Golf Complex and the City, and therefore it would solve one of the pressing needs for the Golf Complex. And he believes that she needs to be disabused of that belief. So that’s something that I am going to work on, but I urge anybody else who has any connection with any of the City Council members to try to talk to them. I don’t know if you can talk to Beverly, Norma, you and Lil; sometimes she doesn’t listen.” Norma Arnerich: “Marie Gilmore just called our house and left a message because Lil had congratulated her, and she is still willing to take his advice, even though he didn’t support her.” Chair Sullwold: “That’s going to be our big push, and we’re going to have to try to get people out again on December 1, and so talk it around, and I’m going to start some emails around, but I don’t want to do it too soon, because if you get the information out too soon, people forget about it.”

Chair Sullwold asked John Vest if there was any update on the Kemper negotiations and he stated that there have been weekly calls, [but he is] not really sure what those weekly calls consist of. Chair Sullwold stated: “Doug got the impression, whether it was a specific representation from Ann Marie, that Ann Marie would be coming to Council in January with her recommendations about the long term lease. And Doug said that it will be two scenarios, not five, and clearly I think one scenario is all of the 45 holes and one scenario is 36 holes that includes nine holes as a new Par 3. I’m sure those are going to be the two scenarios, if there are two, but beyond that I have heard nothing. Ann Marie has not been particularly forthcoming, even when I have talked to her about various things.”

5-B Update on Golf Complex Finances

Bob Sullwold stated that in terms of rounds, in October, the Clark course held its own compared to the same period last year. Rounds on the Fry and Mif were down. For the four months of this fiscal year, Clark is about even with where it was last year, Fry is down 12 % and the Mif is down 21%. "I suspect that the Mif number reflects the fact that there was probably a big surge after we got the course reopened, and the people that had been waiting since March for the City to take some kind of action. On a revenue basis, collectively for the four months revenue is down about 5%, so the only positive note [is that] the Clark appears to be holding its own. I guess, based on what John has said, I would suspect that the reason is the promotions you've been running focus on the Clark and that's why the rounds are staying up there, even though with the promotions, the revenue is not keeping pace with that. On a year-to-date basis, in terms of overall financial results, our friend at the City claims that net operating income this year is \$131,000, operating cash has generated \$201,000 and there has been a net withdrawal from the Enterprise Fund of \$108,000, which compares to the previous year.

"If we believe our friends at the City, through the first four months of last fiscal year -- July, August, September, October, the good months -- there had actually been a contribution to the Enterprise Fund of about \$6,000; this year there was a draw against it of about \$100,000. If you believe the City, the current balance in the Enterprise Fund is around \$700,000. Here's one reason why it's hard to believe: do you remember when Ann Marie Gallant was here and we asked her about the item in the Income Statement that was called Services, and the question was is there anything in there other than payments to Kemper and she said no, that's all Kemper. So, what I did is I've got three months . . . Kemper is on a calendar year basis and the City is on a fiscal year basis. I took the first three months of this fiscal year and added up the number from Kemper as to what its expenses were and compared it with the number shown for those three months on the City's line item, and the difference is about \$150,000. The City's number is higher. I'm sure that if we asked for an explanation, we would get an explanation that it's all accounting changes, or something like that, but based on what Ann Marie had said, one would have expected those numbers to be the same, because Kemper is accurately, for its own purposes, accurately recording its expenses for which the City is reimbursing them; those numbers should be the same. We can keep wondering whether the City is sticking us with something other than Kemper's expenses and calling them Services. I don't know if you want to ask them, but I figure if you do ask them, you might just get a non-answer, but there's probably no harm in trying, but that's what the numbers show.

"The other observation, looking at the Kemper numbers, the nut for operating the Golf Complex is around \$220,000 a month. If you look at the nine-month figures from Kemper through September -- payroll, operating expenses and management fee -- come to around \$220,000 a month, so if the revenue . . . and this is separate from the revenue and expenses associated with the golf shop, in terms of running the golf courses, that's what it is. So if you generate revenue of \$220,000 per

month, you're basically covered. According to Kemper's report, year-to-date, although they're behind their budget, their net cash from operations which includes the management fee is \$600,000, so after paying all the bills and taking their fee, Kemper has generated a profit of \$600,000." Chair Sullwold: "But that has all been taken away by the City of Alameda."

6. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

7. OLD BUSINESS

None

8. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing a surcharge payment for October 2010 of \$9,604. The year-to-date total to the General Fund is \$42,214 for FY 2010/2011.

9. ITEMS FOR NEXT MEETING'S AGENDA

- Status Report on Long Term Lease and Mif Albright Negotiations including Golf Commission
- Update on Golf Complex Finances

The Golf Commission discussed whether a December meeting should be held at all, or if it should be held on a date other than December 15, and it was decided that a special meeting should be held on December 8.

10. ANNOUNCEMENTS/ADJOURNMENT

The meeting was adjourned at 7:04 p.m.

The agenda for the meeting was posted 72 hours in advance in accordance with the Brown Act.